

BEFORE THE COMMISSION FOR COMMON-INTEREST  
COMMUNITIES AND CONDOMINIUM HOTELS  
STATE OF NEVADA

JOSEPH (J.D.) DECKER, Administrator,  
REAL ESTATE DIVISION, DEPARTMENT  
OF BUSINESS & INDUSTRY,  
STATE OF NEVADA,

Petitioner,

vs.

AUDRA COLLINS,

Respondent.

Case No. 2014-4473

FILED

MAY 08 2015

NEVADA COMMISSION OF  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

COMPLAINT FOR DISCIPLINARY  
ACTION AND NOTICE OF HEARING

The Real Estate Division of the Department of Business and Industry, State of Nevada (the "Division"), by and through its counsel, Adam Paul Laxalt, Attorney General of the State of Nevada, and Michelle D. Briggs, Esq., Senior Deputy Attorney General, hereby notifies Respondent AUDRA COLLINS ("RESPONDENT" or "COLLINS") of an administrative hearing before the Commission for Common-Interest Communities and Condominium Hotels, State of Nevada, which is to be held pursuant to Chapters 233B and Chapters 116 and 116A of the Nevada Revised Statutes ("NRS") and Chapter 116 and 116A of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to consider the allegations stated below and to determine if an administrative penalty will be imposed on the RESPONDENT pursuant to the provisions of NRS and NAC including, but not limited to, NAC 116A.360.

JURISDICTION

1. During all relevant times mentioned in this complaint, COLLINS was licensed as a community manager by the Division and is, therefore, subject to the jurisdiction of the Division and the provisions of NRS Chapters 116 and 116A and NAC Chapters 116 and 116A.

**ALLEGATIONS OF FACT**

2. COLLINS was, at all relevant times mentioned in this Complaint, and currently is licensed as a supervisory community manager under certificate number CAM.0000314-SUPR.

3. COLLINS provides community management services through NCF Corporation, doing business as Associated Community Management (the "Management Company") along with her mother, Leslie White, and her husband, Ryan Collins.

4. The Division opened an investigation against COLLINS, and her mother, Leslie White, in 2013 under Case No. CIS 13-05-34-340 based on information contained in annual registration forms supplied by COLLINS and Ms. White to the Division.

5. The initial investigation concerned whether 21 associations managed by COLLINS or White had a board of directors.

6. By letter dated June 7, 2013, the Division sent COLLINS and Ms. White a letter detailing the alleged violations and requesting documents and a sworn affidavit as to the alleged violations.

7. As to Willow Trace Homeowners' Association (the "Association"), Ms. White responded with a sworn statement dated June 21, 2013 stating that the Association had struggled to keep a full board, but did have a board at that time. She stated meetings "have been held as schedules and directors were able."

8. Ms. White did not provide a copy of her management contract, minutes, proof of insurance, history of fines, or copies of annual budgets as requested and COLLINS did not provide any response.

9. By letter dated December 30, 2013, the Division sent COLLINS and Ms. White a second request for the documents previously requested.

10. Neither COLLINS nor Ms. White responded to the second request.

11. The Division subpoenaed bank records for the Association in January of 2014.

12. Based on a review of the records, the Division opened a new case concerning only the Association under Case No. 2014-1505 against Leslie White and Case No. 2014-

1 4473 against COLLINS.

2 13. According to the subpoenaed bank records, COLLINS was the sole signor on  
3 over 100 Association checks from January 2010 through February 2013, but was not a signor  
4 on the Association's bank account.

5 14. During the course of the investigation, Ms. White responded by email dated  
6 June 6, 2014, which included her management contract dated November 13, 2012 (the "2012  
7 Contract"), and her management contract dated August 10, 2005 (the "2005 Contract #1").

8 15. The 2005 Contract #1 has a term of one year ending July 31, 2006 and  
9 contains a one year automatic renewal, which would expire on July 31, 2007.

10 16. The 2012 Contract appears to be signed by board member Janet Deaver.

11 17. Janet Deaver denies having signed the 2012 Contract and was not a board  
12 member until February of 2013.

13 18. COLLINS was asked to respond to the allegations that she was the sole signor  
14 on Association checks, managed the Association without a management contract from  
15 August 2007, and managed the Association under a forged management contract from  
16 November 2012.

17 19. COLLINS denied being the manager for the Association and claimed no  
18 knowledge about a forged contract.

19 20. COLLINS provided a management contract dated August 10, 2005 (the "2005  
20 Contract #2").

21 21. The 2005 Contract #2 appears to be identical to the 2005 Contract #1  
22 previously provided by Ms. White. Both are missing page 2 and both appear to have the  
23 same signature page. The only difference is the term of the contract.

24 22. The 2005 Contract #2 has an initial one year term and then renews  
25 automatically on a month to month basis with no expiration date.

26 23. Ms. White provided the 2005 Contract #2 to the Division a few days prior to  
27 COLLINS and also in response to the allegation that they were managing the Association  
28 under a forged contract. Ms. White claimed the other contracts were provided in error.

25. Ms. Jackson met with COLLINS and Ms. White in 2012 and told both of them they could not operate an association without a board and had to resign.

26. Invoices provided by COLLINS to support some of the checks she signed by herself include advanced management fees, management charges for monthly parking inspections, debris and trash removal, a website, and transfer fees; none of which are authorized by any of the three management contracts provided to the Division.

27. In 2010, COLLINS signed a check in favor of the Management Company in the amount of \$2,799.99, which included \$2,370 for graffiti removal and \$150 for parking inspections.

28. COLLINS signed a check in July of 2012 for an advance on management fees for the months of August through December 2012 in an amount of \$4,500, and then also signed separate management fee checks for the months of November and December 2012.

29. The Association's Income/Expense Statements for July through December 2012 provided to the Division during the investigation do not reflect the advance payment of management fees or the overpayment for management fees by year end.

## VIOLATIONS OF LAW

30. COLLINS violated NRS 116A.640(2)(a) and NAC 116A.345(2)(a) by impeding the Division's investigation by failing to comply with requests from the Division to provide documents and an affidavit requested by letter dated June 7, 2013, and a second request dated December 30, 2013.

31. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(i)) over 100 times by committing unprofessional conduct by exceeding the authority granted to her by

1 the Association when she signed over 100 Association checks without approval from the  
2 Association's board.

3 32. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(c)) by  
4 committing unprofessional conduct by engaging in deceitful, fraudulent or dishonest conduct  
5 by signing checks to the Management Company for invoices that were not approved by the  
6 Association's board and included charges not authorized by a management agreement.

7 33. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(c)) by  
8 committing unprofessional conduct by engaging in deceitful, fraudulent or dishonest conduct  
9 by signing checks to the Management Company for advanced management fees, additional  
10 management fees for months already advanced, and not having those advancements or over  
11 charges reflected in the Income/Expense Statements for the Association.

12 34. COLLINS violated NAC 116A.355(1)(a)(1) (through NAC 116A.355(2)(f)) by  
13 committing unprofessional conduct when she failed to cooperate with the Division's  
14 investigation by failing to timely produce documents and records of the Association as  
15 requested by letter dated June 7, 2013, and a second request dated December 30, 2013.

16 35. COLLINS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(a)) over  
17 100 times by engaging in conduct constituting professional incompetence by demonstrating a  
18 significant lack of ability, knowledge or fitness to perform a duty or obligation owed to the  
19 Association by signing checks without approval from the Association's board.

20 36. COLLINS violated NAC 116A.355(1)(a)(2) (through NAC 116A.355(3)(b)) by  
21 engaging in conduct constituting professional incompetence by failing to exercise reasonable  
22 skill and care with respect to a duty or obligation owed to the Association by signing checks  
23 to the Management Company for invoices which included unauthorized charges,  
24 advancements, and overcharges.

25 37. COLLINS violated NRS 116.31153 over 100 times by being the sole signor on  
26 more than 100 Association checks between January 2010 and February 2013.

27 38. COLLINS violated NRS 116A.620 and NAC 116A.325 by managing the  
28 Association without a valid management contract.

1        39. COLLINS violated NRS 116A.630(1)(a) by failing to act as a fiduciary in her  
2 relationship with the Association.

3        40. COLLINS violated NRS 116A.640(10) by signing checks in favor of the  
4 Management Company for fees or other charges not specified in a management agreement.

5        41. COLLINS violated NRS 116A.640(2)(c) and NAC 116A.345(2)(c) by impeding  
6 the Division's investigation by concealing facts and documents relating to the business of the  
7 Association by failing to provide documents requested by the Division by letter dated June 7,  
8 2013, and a second request dated December 30, 2013.

9        42. COLLINS violated NRS 116A.630(1)(b) by failing to exercise ordinary and  
10 reasonable care in the performance of her duties for the Association.

11       43. COLLINS violated NRS 116A.630(2) by failing to comply with all federal, state  
12 and local laws, regulations and ordinances.

13       44. COLLINS violated NRS 116A.630(6)(a) by failing to ensure that the financial  
14 transactions of the Association are current, accurate and properly documented.

15       45. COLLINS violated NRS 116A.630(6)(b) by failing to ensure that there are  
16 policies and procedures designed to provide reasonable assurances in the reliability of the  
17 financial reporting.

18       46. COLLINS violated NRS 116A.630(7) by failing to prepare or cause to be  
19 prepared accurate interim and annual financial statements to allow the Division, the unit  
20 owners and board members to determine whether the financial position of the Association is  
21 fairly presented in accordance with all applicable laws and regulations.

22       47. COLLINS violated NRS 116A.630(13) by failing to maintain the Association's  
23 funds in separate financial accounts in the name of the Association and ensure that the  
24 Association is authorized to have direct access to those accounts.

25       48. COLLINS violated NRS 116A.630(14) by failing to notify unit owners that the  
26 board is aware of all legal requirements pursuant to the applicable laws and regulations.

27       49. COLLINS violated NRS 116A.630(15) by failing to maintain internal accounting  
28 controls, including without limitation, segregation of incompatible accounting functions.

1 50. COLLINS violated NRS 116A.630(16) by failing to ensure that the executive  
2 board developed and approved written investment policies and procedures.

3 51. COLLINS violated NAC 116A.320 by failing to comply with NRS 116A.630.  
4

### 5 DISCIPLINE AUTHORIZED

6 Pursuant to the provisions of NAC 116A.360 the Commission has discretion to impose  
7 discipline as it deems appropriate, including, but not limited to one or more of the following  
8 actions:

- 9 1. Revoke or suspend the certificate;
- 10 2. Refuse to renew or reinstate the certificate;
- 11 3. Place the community manager on probation;
- 12 4. Issue a reprimand or censure to the community manager;
- 13 5. Impose a fine of not more than \$5,000 for each violation of a statute or  
14 regulation;
- 15 6. Require the community manager to pay restitution;
- 16 7. Require the community manager to pay the costs of the investigation and  
17 hearing;
- 18 8. Require the community manager to obtain additional education relating to the  
19 management of common-interest communities; and
- 20 9. Take such other disciplinary action as the Commission deems appropriate.

21 The Commission may order one or any combination of the discipline described above.  
22

### 23 NOTICE OF HEARING

24 PLEASE TAKE NOTICE, that a disciplinary hearing has been set to consider this  
25 Administrative Complaint against the above-named RESPONDENT in accordance with  
26 Chapters 233B and 116 and 116A of the Nevada Revised Statutes and Chapters 116 and  
27 116A of the Nevada Administrative Code.  
28

1 THE HEARING WILL TAKE PLACE at the Commission meeting scheduled for June  
2 16, 17, and 18, 2015, beginning at approximately 9:00 a.m. each day, until such time as  
3 the Commission concludes its business. The Commission meeting will be held at the  
4 Gaming Control Meeting Room located at the Grant Sawyer Building, 555 E.  
5 Washington Ave., Room 2450, Las Vegas, Nevada 89101, with videoconferencing to  
6 the Gaming Control Meeting Room, 1919 College Parkway, Carson City, Nevada 89706.

7 STACKED CALENDAR: Your hearing is one of several hearings that may be  
8 scheduled at the same time as part of a regular meeting of the Commission that is expected  
9 to take place on June 16-18, 2015. Thus, your hearing may be continued until later in the  
10 day or from day to day. It is your responsibility to be present when your case is called. If you  
11 are not present when your hearing is called, a default may be entered against you and the  
12 Commission may decide the case as if all allegations in the complaint were true. If you need  
13 to negotiate a more specific time for your hearing in advance because of coordination with  
14 out of state witnesses or the like, please call Claudia Rosolen, Commission Coordinator, at  
15 (702) 486-4606.

16 YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an  
17 open meeting under Nevada's open meeting law, and may be attended by the public. After  
18 the evidence and arguments, the commission may conduct a closed meeting to discuss your  
19 alleged misconduct or professional competence. A verbatim record will be made by a  
20 certified court reporter. You are entitled to a copy of the transcript of the open and closed  
21 portions of the meeting, although you must pay for the transcription.

22 As a RESPONDENT, you are specifically informed that you have the right to appear  
23 and be heard in your defense, either personally or through your counsel of choice. At the  
24 hearing, the Division has the burden of proving the allegations in the complaint and will call  
25 witnesses and present evidence against you. You have the right to respond and to present  
26 relevant evidence and argument on all issues involved. You have the right to call and  
27 examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter  
28 relevant to the issues involved.



1           You have the right to request that the Commission issue subpoenas to compel  
2 witnesses to testify and/or evidence to be offered on your behalf. In making this request, you  
3 may be required to demonstrate the relevance of the witness' testimony and/or evidence.  
4 Other important rights and obligations, including your obligation to answer the complaint, you  
5 have are listed in NAC 116A.560 through NAC 116A.655, NRS Chapter 233B, and NRS  
6 Chapters 116 and 116A and NAC 116 and 116A.

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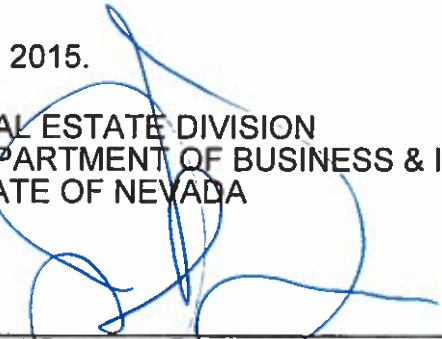
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9           ///

1 Note that under NAC 116A.585, not less than five (5) working days before a hearing,  
2 RESPONDENT must provide to the Division a copy of all reasonably available documents  
3 that are reasonably anticipated to be used to support his or her position, and a list of  
4 witnesses RESPONDENT intends to call at the time of the hearing. Failure to provide any  
5 document or to list a witness may result in the document or witness being excluded from  
6 Respondent's defense. The purpose of the hearing is to determine if the RESPONDENT has  
7 violated any of the provisions of NRS and NAC Chapters 116 and 116A, and to determine  
8 what administrative penalty is to be assessed against RESPONDENT, if any, pursuant to  
9 NAC 116A.360.

10 DATED this 15 day of April, 2015.

11 REAL ESTATE DIVISION  
12 DEPARTMENT OF BUSINESS & INDUSTRY  
13 STATE OF NEVADA

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